



CITY OF HOUSTON

John Whitmire

Mayor

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April 21, 2025

The Honorable Morgan Meyer – Committee Chair
House Committee on Ways & Means

RE: House Bill 30

Honorable Chairman Meyer and Members of the House Committee on Ways & Means,

On behalf of the City of Houston, I appreciate the opportunity to provide and share this written testimony in opposition to the House Committee Substitute of House Bill 30 (CSHB 30). As the Director of the Office of Emergency Management, I am concerned that CSHB 30 would result in a significant impairment of the City of Houston's ability to recover from natural disasters.

The CSHB 30 limits the City's ability to go above the no-new-revenue tax rate without an election to only the amount equal to Category A – Debris expenses following a disaster. While the City appreciates this change in the committee substitute language from the filed version, this limitation does not take into consideration the multitude of activities in other Federal Emergency Management Agency (FEMA) categories a city undergoes to respond to and recover from a disaster.

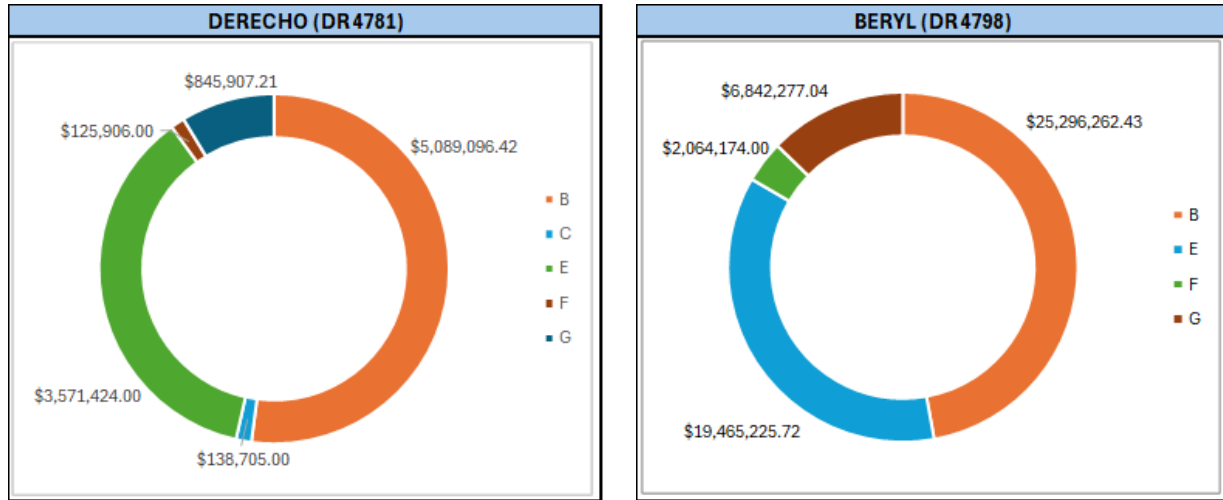
While the FEMA federal cost-share is 75%, the program is typically reimbursement-based, and the city struggles to find sufficient funding to cover repairs in the short term. For the largest projects, the State of Texas through the Texas Division of Emergency Management has a working capital program tied to the federal share, yet the City remains responsible in covering the local share of costs.

Should this bill be passed, the City would be most impacted by our inability to recover FEMA Category B expenses. FEMA Category B refers to Emergency Protective Measures, which are temporary actions taken before, during, and after a disaster to protect life, public health, and safety, and to prevent further damage to property. These measures are designed to address immediate threats and are often short-term in nature, usually first 30 days immediately following a declared disaster. Allowable costs include but are not limited to evacuation/sheltering, search/rescue, debris removal, sandbagging, medical care/transport, security, firefighting, and others.

In 2024 alone, Category B expenses for the City of Houston for the 2 events – Derecho Storms and Hurricane Beryl were \$5.1 million and \$25.3 million respectively. Due to Mayor Whitmire's commitment to aligning city expenses with and trimming costs related to the new efficiency study, the City of Houston was fortunate that it did not need to raise the property tax rate to cover these costs. However, had the disaster been larger in magnitude, the City would have used the disaster exemption.

Outside of Category B expenses, the City's ability to identify funding for permanent work following a disaster is also critical for the city. The types of permanent work-related projects include Categories C through G: roads and bridges, water control facilities, buildings and equipment, utilities, and all other infrastructure assets. The City invests in these types of recovery projects in order to be resilient and better prepared for the next disaster event.

The following two images provide a breakdown of non-debris costs by Category for the Derecho and Hurricane Beryl Disasters of 2024 for the City of Houston by Category. For context, combined debris removal costs for the Derecho and Hurricane Beryl exceeds \$100 million.



In closing, if local municipalities are not able to raise and recover revenue for these unbudgeted expenses, city services may need to be limited or paused to cover the costs. The City supports cities providing data on the actual costs to determine the amount of revenue needed to be raised, however limiting to only FEMA Category A expenses could have long-term negative impacts to city services.

Respectfully,

Brian Mason
Director, Office of Emergency Management